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Message Text

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PAGE 01 JOHANN 00623 181612Z
ACTION COME-00

INFO OCT-01 AF-08 ISO-00 DODE-00 EB-08 NSAE-00 USIA-06
TRSE-00 ERDA-05 CIAE-00 PA-01 PRS-01 /030 W
----------181659Z 112204 /43
R 181231Z MAR 77
FM AMCONSUL JOHANNESBURG
TO SECSTATE WASHDC 5766
INFO AMEMBASSY PRETORIA
AMCONSUL CAPE TOWN
AMCONSUL DURBAN

LIMITED OFFICIAL USE JOHANNESBURG 0623

E.O. 11652: N/A
TAGS: BEXP, EIND, ETRD, SF
SUBJECT: INDUSTRIES AND COMMODITIES: ESCOM IS REPORTED TO SEEK COMPUTERS

REF: STATE 311791

CAPE TOWN ALSO FOR EMBASSY

BEGIN UNCLASSIFIED:

1) THE SUNDAY TIMES, BUSINESS SECTION FOR MARCH 13, 1977 CARRIED THE FOLLOWING ITEM ON PROCUREMENT OF COMPUTERS BY ESCOM, THE SOUTH AFRICAN GOVERNMENTS NATION-WIDE ELECTRICITY SUPPLY COMMISSION UNDER THE HEADLINE: "ESCOM SEEKS 32 COMPUTERS". THE PRESS REPORTS AS FOLLOWS:

QUOTE ESCOM HAS GONE UT TO TENDER TO REPLACE 32 IBM SYSTEM 3 COMPUTERS, IN A CONTRACT WHICH WILL BE WORTH SEVERAL MILLION RAND TO THE SUCCESSFUL BIDDER.
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PAGE 02 JOHANN 00623 181612Z

ESCON RECENTLY AWAREDED A R4,5-MILLION CONTRACT TO CONTROL DATA TO REPLACE THE IBM 370/158 AND CYBER 74 MACHINES AND A CYBER 174.
BUT IBM, THE WORLD,S BIGGEST COMPUTER COMPANY, WHICH HAS CORNERED SOMETHING LIKE 35 PERCENT F THE SOUTH AFRICAN MARKET, S STILL IN CONTENTION WITH ESCOM,

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FOR T HAS TENDERED TO REPLACE ITS OWN SYSTEM 3 MACHINES.
IBM MANAGING DIRECTOR JACK CLARKE DID NOT DISCLOSE
WHETHER NEW HARDWARE IS BEING OFFERED. "ALL THE
GOVERNMENT AND PUBLIC BODIES ARE UNDER EXTREME
PRESXURE TO GET THEIR COSTS DOWN,' HE SAID. 'THEY
ARE MERELY LOOKING TO SEE WHAT IS AVAILABLE IN THE
MARKET'.
MR. CLARKE BELIEVES THE HIGH RATE OF GROWTH WHICH THE
COMPUTER INDUSTRY HAS EXPERIENCED IN THE PAST YEAR
OR TWO IS LIKELY TO SLOW DOWN THIS YEAR.
IBM'S 25 TO 35 PERCENT SALES GROWTH OF RECENT YEARS
FELL TO JUST OVER 10 PERCENT LAST YEAR AND SHOULD STAY
AT THAT LEVEL THIS YEAR, MR CLARKE SAID. END QUOTE.

END UNCLASSIFIED

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COMMENT: CONVERSATIONS WITH THE PROCUREMENT DIRECTOR
OF IBM AND WITH THE MANAGING DIRECTOR OF CDC HAVE
CONFIRMED THE ESSENTIALS OF THIS PRESS REPORT. IBM
ADMITS THE LOSS REPORTED TO CDC. HOWEVER, IT
NOTES THAT, IN ITS OPINION, CDC HAS NOTHING EQUIVALENT
TO THE IBM SYSTEMS 3 WHICH COMES FROM ITS ITALIAN
SUBSIDIARY. WE HAVE CONFIRMED THAT HARDWARE IS BEING
SOUGHT BY ESCOM. MOST IMPORT FROM THE IBM POINT OF VIEW;
HOWEVER, IS THE FACT THATZN ACCORDING TO THEIR
PROCUREMENT DIRECTOR, ALL NEW EQUIPMENT FOR THE
PROGRAMS IN THE PRESS REPORT WILL BE SOURCED OUT OF
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THE UK AND CONTINENTAL FACILITIES. THE US ACCORDING
TO IBM HAS SIMPLY BECOME A PARTS SUPPLIER. ALTHOUGH
ESCOM IS NOT ASSUMEDLY A PROSCRIBED END-USER WITHIN
THE MEANING OF THE DEPARTMENT'S GUIDANCE IN REFTEL, THIS
WAS NOT A POINT RAISED BY OUR RESPONDENTS. END LIMITED OFFICIAL USE
JOHNSON

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Sent Date: 18-Mar-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
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Review Release Date: n/a
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Subject: INDUSTRIES AND COMMODITIES: ESCOM IS REPORTED TO SEEK COMPUTERS
TAGS: BEXP, EIND, ETRD, SF
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